

From: Therapidloan@aol.com on 04/04/2008 01:25:03 PM

Subject: Regulation Z

Dear Sirs,

My name is Shane Curtiss Miller, and I am a loan processor in Fort Collins, Colorado. I process loans for my wifes company "A Better Mortgage of Fort Collins, LLC" and I originated mortgages for 12 year in the diverse markets of Colorado, Wyoming, Montana, and Nebraska.

I began my career as a Mortgage Banker (Loan Officer) for Norwest Mortgage and realized at that time that Norwest could not offer the range of choices to consumers afforded by Mortgage Brokers. They also could not compete on price generally on the most common product I sold which was a 30 year fixed rate mortgage.

I took a couple of months to survey the compensation, rates and fees offered by other Mortgage Bankers and Brokers and determined that Mortgage Brokers could offer lower rates and fees to consumers on the range of products available at that time, and many, though not all, did just that. That has not changed.

Increased yields were available to Mortgage Brokers who were willing to take some personal financial risk and forgo the employee benefits offered by Mortgage Bankers.

The portion of your recommended legislation pertaining to disclosure and limits on Mortgage Broker compensation is not a service to consumers who already pay *higher* APRs for loans originated by Mortgage Bankers. This may be because Mortgage Bankers already have a "selling advantage" which this legislation is about to amplify.

The rule should be applied equally (if at all) to *both* Bankers and Brokers in order for consumers to make a fair comparison and to maintain a level playing field for mortgage professionals.

It may have unintended consequences for the consumer in that it will reduce flexibility in terms of structuring loans to benefit the customer. Yield spread premium is commonly used to reduce closing costs for buyers with limited cash or a short financing horizon thus lowering their overall transaction cost and refinancing risk.

While some perceive higher yield spread premiums on sub prime or difficult loans to be unfair to consumers, the amount of work required and the professional risk to a loan officers reputation in attempting these transactions, is frequently overlooked by those unfamiliar with the challenges of the profession.

I have considered for several years reforms that would aid consumers in comparing loans offered by Bankers and Brokers and have an idea which I believe would improve fair competition.

A simple uniform disclosure, required at application on a separate sheet of paper with every good faith estimate and Truth in Lending, for *both* Bankers and Brokers, in large typeface which tells consumers the basics of comparing financing as follows:

Get rate and fee quotes "simultaneously" as rates move and change daily very much like stocks.

Compare the same loan product(s) with a the same lock term(s) at the same quoted rate(s).

If you are denied for a loan, or the loan product changes, shop the new loan again.

Get a written Good Faith Estimate of "non-recurring" closing costs at the quoted rate and a Truth In Lending Statement disclosing APR.

For any two identical loan products, at the same interest rate, the loan with the lowest "non-re-curring" closing costs should have the lowest APR and is the preferred loan.

This is a much more useful disclosure than the one currently being considered. It gives consumers a simple tool and instructions for *accurately* comparing lenders. Accurate comparison is more likely to lower APRs than simply increasing the unfair marketing advantage Mortgage Bankers which already charge higher APRs.

Additionally, a separate disclosure in large type for prepayment penalties should be required with incremental increases in compensation resulting from the prepayment penalty being disclosed to the consumer would be helpful.

Please reconsider the current recommendation regarding yield spread premium limits and disclosure in favor of a disclosure requirement that will promote fair competition and provide consumers with the specific information they need to compare lenders.

Respectfully,

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